

## Message Text

CONFIDENTIAL

PAGE 01 CAIRO 00421 261539Z

46

ACTION NEA-13

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 SS-20 NSC-10

PM-07 EB-11 COME-00 TRSE-00 L-03 CIAE-00 INR-10

NSAE-00 RSC-01 DODE-00 DRC-01 /077 W

----- 101674

O 261521Z JAN 74

FM USINT CAIRO

TO SECSTATE WASHDC IMMEDIATE 5138

C O N F I D E N T I A L CAIRO 421

E.O. 11652: GDS

TAGS: BEXP EG

SUBJECT: SUEZ CANAL SALVAGE OPERATIONS

REF: STATE 17533

1. REF PASSED TO PETER BARRACCA. HE IS CONCERNED OVER PRECISE MEANING "LEASE." HE STATED THAT IN HIS TALKS WITH CAPTAIN BOYD, BOTH THE POSSIBILITY OF MINIMAL LEASE AND LOANS WERE DISCUSSED. TERMS AGREED ON FOR RENTAL BOATS WAS APPROXIMATELY \$830,000. HE FEELS HE IS ABOUT EVEN WITH RIVAL WEST GERMAN BID AT PRESENT TIME AND THAT HIS CHANCES OF OBTAINING SALVAGE BID WOULD BE ENHANCED IF THE MINIMAL RENTAL COULD BE REDUCED EVEN FURTHER. HE MENTIONED FIGURE OF \$150,000 WHICH WOULD PUT HIM IN COMPETITIVE POSITION. BARRACCA ACKNOWLEDGES THAT FOR VISUAL PURPOSES IT BETTER THA MURPHY PAYS SOME MINIMAL RENT.

2. USINT IS CONCERNED THAT MR. BARRACCA HAS ON HIS OWN RAISED WITH SUEZ CANAL AUTHORITY THE POSSIBILITY OF OBTAINING USN LIFT VESSELS FREE OF CHARGE, AND THAT THIS MAY HAVE ALREADY RAISED EXPECTATIONS. WE HAVE HAD INFORMAL INDICATION THAT SUEZ CANAL AUTHORITY OFFICIALS, DUE TO BARRACCA'S FLOATING OF THIS IDEA, HAVE ALREADY LET IT GET AROUND THAT THEY WOULD BE WILLING TO MAKE AN  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CAIRO 00421 261539Z

APPROACH TO THE USG FOR THE LOAN OF VESSELS IF THEY

COULD BE SURE THAT THERE WOULD BE NO REBUFF. WE HAVE TOLD MR. BARRACCA THAT THIS IS UNHELPFUL AND PUTS USG IN AN EMBARRASSING POSITION AND THAT HE NOT HOLD OUT ANY SUCH HOPES UNLESS HE SPECIFICALLY AUTHORIZED TO DO SO.

3. COMMENT: WHAT ARE CURRENT TERMS OF PROPOSED LEASE FOR US NAVAL BOATS? IS THERE ANYTHING WHICH USN COULD DO TO REDUCE THE COST, OR MAKE THE BOATS AVAILABLE ON A LOAN BASIS WHICH COULD IMPROVE MURPHY'S COMPETITIVE POSITION?  
EILTS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CAIRO00421  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** CAIRO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740113/aaaaamfs.tel  
**Line Count:** 72  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 17533  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13-Aug-2002 by rowelle0>; APPROVED <13 DEC 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUEZ CANAL SALVAGE OPERATIONS  
**TAGS:** BEXP, EG  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005